

THE CONNECTION BETWEEN EMPLOYMENT AND LABOR PRODUCTIVITY

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Summary. Increasing of labor productivity, decreases employment and increases its productivity. Limitations for natural resources, social needs increase and for satisfactory solving basic contradictions in new level, becomes through providing them with productive employment. It takes the most important place in rational use of natural product, in productive employment, production of necessary product and creative approach to it and satisfaction from the most important jobs payment. Another important part in connection between employment and labor productivity is that it helps to find best usage of labor resources.

Key words: employment; labor productivity; wage; investment; supply and demand; inflation; gross domestic product.

Increasing of employment is very important for stable national economics. Increasing of employment is not only will, but social demand as well. Supplying economic stability plays an important role in the progress of certain factors of national progress. Especially in the connection of growing working-age population, needs new approach. Providing population with job is not easy, long and continuous process. This is a due to important economic categories: as wages, competition, and overall demand. In economic categories, there is a bound between two categories, when one of them increases the second one decrease. For example: supply and demand, expenses and accumulation, benefit and harm, unemployment and inflation, wages and employment and others. They even have had the attention of scientists in the primary society and created different kinds of theories about the relationship between them. Since there are many interesting things to learn, it helps us to take many points of view and compare the solution of economic problems. The connection between employment and labor productivity are in the same category. These two relations will not go without attention of the economic scientists. Till our days there are different views about making stable connection between employment and labor productivity. In the beginning A. Smit and later D. Ricardo was the founder of employment and labor productivity doctrine.

Since employment and labor productivity is in category of general economics, it is important in all stages of social progress. To increase productivity they used to use special methods like, improving equipments, working in community and providing with work. But, as a result of the deepening in to the economic case, has led to a reduction of employment. The problem in supplying with employment is more difficult than labor productivity. That's why in primary society, providing with job used to be an important role. To find connection between employment and labor productivity we need to explorer degree of their development. The first is direct proportional development to economic categories; the second is inversely proportional development to economic categories. Both of these developments are important to national progress. But for the stable progression of national economics we must keep balance between them. Labor productivity has the following direct proportional progress in economic category: increasing of gross domestic product capacity, increasing the size of the national income, increasing free time of the population, increasing savings of the nation, increasing salary and rational use of natural resources.

The rule of continuous growth of labor productivity and the rule of saving time has direct connection. The growth of labor productivity doesn't increase growth of gross domestic products, rather saves time and free time of the person. The following rule is in the same general economic rule as labor productivity and acts in all stages of social producing. This rule also saves time and increases producing. It saves time not only in producing or provision of services, also in expenses. For productive using its empowerment we should totally study its specializations. Among them concernment is the most important. As the result, the labor productivity of the working staff increases the chance of real income. Also, the population growth, affects to its expenses and accumu-

lation. According to the existing theoretical views, income of the population affects to their interaction of expense and accumulation. The growth of income relatively increases the accumulation coefficient and part of income. Therefore, allocation for expenses income of the population substantially decreases. Even if a part of the profits for expenses falls, its total amount still growth. The possibility of growth in expenses depends on the period of accumulation¹. Positive change in total expenses expenditure also leads to a change in its structure. The changes in expenses stimulates producer, resulting in increase of offer for goods and services. Financial savings are expresses as unformed form of demand and express the possibility of increasing employment.

Increasing of producing amount of gross domestic product in state economics depends to degree of labor productivity, not to amount of employment. That's why labor productivity develops proportionally with growing amount of gross domestic product.

Labor productivity develops proportionally opposite to economic categories according to: employment, temp of inflation, money, rate interests and amount of goods and services.

Labor productivity and inflation develops in proportion opposite to each other. In result, increasing of labor productivity cases the inflation decrease. The problem of mass money plays an important role in goods and service supplying. For example: the difference between countries nominal gross domestic product and real gross domestic product. Economic growth of the country expressed in real gross domestic product. The difference between them lays in the fact that problem of goods and services require money mass and shows that labor productivity in sums doesn't increase [1].

In the result of increasing of labor productivity increases the amount of producing with products and service, problematic money gets chance providing with product. As a result, stable money problems, increases the ability of payment, decreases demand on money and its percentage rate. Increase in labor productivity decrease the quantity of product and service. In turn, this is the result of time spent for production and saving of expenditure of labor. Because, the time spent for production and other important expenses doesn't display in products cost. Has a chance to increase output. Increasing of amount of producing product and service becomes a reason of demand decreasing.

Increasing of labor productivity, decreases employment and increases its productivity. Limitations for natural resources, social needs increase and for satisfactory solving basic contradictions in new level, becomes through providing them with productive employment. It takes the most important place in rational use of natural product, in productive employment, production of necessary product and creative approach to it and satisfaction from the most important jobs payment. Another important part in connection between employment and labor productivity is that it helps to find best usage of labor resources.

Employment and labor productivity, gross domestic product, recognizing important factors relationship between wages and investment, the degree of influence to labor productivity is much stronger then to investment. This can be seen in provision of services, during the process of growing employment.

x_1 gross domestic product's amount (milliard sum);

x_2 investment for branch provision of services (milliard sum);

x_3 wage (milliard sum);

x_4 labor productivity in branch of provision of services (thousand sum);

y employment in branch of provision of services (thousand people).

Table 1.

Correlation relationship of the effect on employment in provision of services

No	Factors	Coefficient of correlation
1	gross domestic product's amount (billion sum)	0.97787
2	investment for branch provision of services (billion sum)	0.7287
3	wage (billion sum)	0.96864
4	labor productivity in branch of provision of services (thousand sum)	0.9508

As emphasized by scientist in economics Abdurahmonov K. X., "macroeconomics level of work in increasing of productivity and increasing of employment related to each other: countries that made high level and rate of work and employment has better productivity"[2]. Another scientist Muhammedov M. says that "there is a strong connection between wage and labor productivity, reduction of wage results to decreasing of labor productivity and lifestyle of population, decreasing of output causes the reduction of attention to scientific innovations in technology, strong connection between wage and labor productivity has an influence to employment"[3]. As we can see, increasing of labor productivity first of all affects to decrease of employment, secondly increases gross domestic product and thirdly formats gross demand. Also it creates new workplaces. Increasing of labor productivity causes not only to exacerbation of employment also has important influence to increase of productive employment.

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